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SUBJECT: CLOSE RACES ARE HOT ELECTION PROSPECTS

REF: A. 08 OTTAWA 1325
- B. 08 OTTAWA 1324
- C. OTTAWA 231

11. (SBU) Summary: In the 2008 federal election, 42 members of Parliament won their seats by five pct or less of the vote; these "marginals" will be particularly in play in the next election -- which most pundits expect sometime within the next twelve months. The Conservatives hold the greatest number of these ridings; 31 are in the key battleground provinces of Ontario, British Columbia, and Quebec. The two major parties are already reportedly focusing on the 2008 marginals as the Conservatives scour the country for the extra 12 seats they need for a majority government, while the Liberals seek at least to regain lost ground and at best to form the next government. End summary

SQUEAKING BY IN 2008

12. (U) The Conservatives won a "strengthened" minority government in October 2008, with 143 seats in the 308 seat House of Commons to the Liberals' 77, the Bloc Quebecois' 49, and the New Democratic Party's (NDP) 37 (refs a and b). (There were two Independent victors.) Although the Conservatives and the NDP both gained seats, the Conservative vote nationwide only rose from 36.2 pct of the total in 2006 to 37.6 pct in 2008, and the NDP from 17.4 pct to 18.2 pct. The total number of Conservative votes actually dipped slightly -- by 168,737 votes -- from 2006. A major factor in the 2008 election outcome was a big drop in turnout among Liberal supporters, particularly in Ontario and British Columbia, where there were significant numbers of urban ridings with tight three-way races. Overall, the national participation rate was 59.1 pct, a notable low by Canadian standards.

13. (U) In the 2008 election, candidates in 42 "ridings" (electoral districts) won with five pct or less of the vote over the second-place candidate. Of these, the Conservatives won 17, the Liberals 12, the Bloc Quebecois five, and the NDP seven. (One seat went to an Independent.) The Conservatives came second in 15 other marginal ridings, with the Liberals second place in 14 marginals. Overall, the Liberals won 12 of their 77 current seats (just under 15 pct of the total) in 2008 by a margin of 5 pct or less, while the Conservatives won approximately 12 pct of their 143 seats by the same low margin. However, the Conservatives had greater success than the Liberals in retaining marginals that they had won in 2006 (17 of 18 ridings), converting some of them to safer seats, and picking up 11 new marginal ridings. In contrast, the Liberals lost 14 of the 22 marginal ridings that they had won in 2006, and only picked up two new ones.

14. (U) In 2008, marginal seats were predominately in the vote-rich provinces of Ontario (13), Quebec (10), and British Columbia (8). In addition, there were two marginals each in Nova Scotia, New Brunswick, Prince Edward Island, and Alberta, and one each in Saskatchewan, Newfoundland and Labrador, and the Northwest Territories.

15. (SBU) These marginals are the logical starting point for the strategies of both the Conservatives and Liberals in particular in the next election, because the five pct gap is often bridgeable with extra resources, a strong local campaign and candidate, and timely stops on prime ministerial, ministerial, or leaders' tours. In recent public comments, Liberal MP Keith Martin (who won his B.C. riding by only 68 votes) noted that Conservatives are already zeroing in on his riding with funding announcements and ministerial visits. Liberal MPs also have alleged that the government of Conservative Prime Minister Stephen Harper plans to spend the bulk of a new C\$3 billion emergency infrastructure fund in the 2009 federal budget for projects in "swing" ridings; the government has declined repeated requests from the Liberals to release information about these projects.

ONTARIO: WHERE THE ACTION IS

16. (U) Of the 13 marginal seats in Ontario in 2008, Liberal MPs hold five, Conservatives five, and the NDP three. (After the 2006 election, the Liberals had held 12 of these same 13 ridings, and the NDP one.) Eleven of the 13 marginal ridings are in urban and suburban southern Ontario, which had been an electoral fortress for the federal Liberal Party from 1993 to 2006. The Conservatives were second in seven more marginal ridings in suburban Toronto and south-west Ontario, and the Liberals second in six.

17. (U) Overall, Conservative MPs now hold 51 of Ontario's 106 seats, the Liberals 38, and the NDP 17. The Conservatives in 2008 gained 11 seats in Ontario, winning 39.2 pct of the popular vote, up from 40 seats and 35.1 pct of the vote in 2006. However, the Conservatives' absolute vote in the province barely increased.

OTTAWA 00000252 002 OF 003

According to one study, the party's gain in vote share largely came about because approximately 500,000 Ontario voters -- mostly Liberals -- went "missing" between the 2006 and 2008 elections, to the benefit of Conservative candidates. The Green Party also helped to fragment the opposition vote in Ontario in 2008, without winning any seats in Ontario -- or in any other province.

18. (SBU) Strategic targeting and cultivating of ethnic communities by the Conservatives apparently also paid off, notably in Jewish and South Asian communities. Former journalist Peter Kent (now Minister of State for the Americas) beat two-term Liberal incumbent Susan Kadis with 49.01 pct of the vote in Thornhill, a Toronto suburban riding with a substantial Jewish population. Similarly, in Brampton-Springdale (with a significant South Asian community), two-term incumbent Liberal MP Ruby Dhalla has seen her own majority shrink from 20.20 pct in 2004 to 16.6 pct in 2006 and to only 1.71 pct in 2008 over the second-place Conservative.

QUEBEC: A NON-CONSERVATIVE FUTURE?

19. (U) In Quebec, Bloc Quebecois MPs won five marginals and the Conservatives and Liberals two each, along with one Independent. The Bloc came second in five other marginal seats in 2008. Although the Conservatives in 2008 overall retained 10 of their 11 seats (two of which were marginals) from 2006, they did not place second in any of Quebec's eight other marginal seats. The Liberals wrested two Montreal-area ridings (including former Liberal PM Pierre Trudeau's son Justin winning his Papineau seat by only 2.78 pct) from the Bloc, and placed second to the Bloc in four other marginals.

110. (SBU) Overall, in 2008 the Bloc won 49 of Quebec's 75 seats, the Liberals 14, the Conservatives 10, and the NDP one. However, the Conservative Party received 120,000 fewer votes in Quebec than in 2006. (According to one Conservative insider, if the election had taken place one week sooner, the Conservatives might have lost almost all of their Quebec seats.) Recent polls suggest that Conservative support in the province has dropped from 22 pct in October to only between 10 and 13 pct now, with gains going so far mainly to the Liberals. Bloc support has remained steady at 39 pct. Conservative insiders have reportedly admitted that all of the

Conservatives' ten seats (except perhaps former Defence Minister Maxime Bernier's rural Beauce riding) may be very much in play in the next federal election. (See ref c for a more detailed discussion of the complex Conservative/Quebec relationship.)

BRITISH COLUMBIA AND THE WEST: JUST A LIBERAL DREAM?

¶11. (U) Conservative insiders reportedly see British Columbia as the second hottest battleground -- after Ontario -- to make gains. Conservatives won four marginal seats in the province in the 2008 election, while the Liberals and the NDP each won two. British Columbia was the only province where Conservative gains -- from 17 seats in 2006 to 22 in 2008 -- were due to a substantial increase in votes -- from 681,014 votes (37.3 pct) in 2006 to 797,371 (44.4 pct) in 2008). The Liberals' currently have five seats (down from nine in 2006) in the province and the NDP nine. Rural British Columbia has long been solid Conservative country, but, although they came close in 2008, the Conservatives have so far failed to break through in urban Vancouver.

¶12. (SBU) The Conservatives came second in four marginals in 2008, of which three were in urban or suburban Vancouver, along with one in suburban Victoria. The Liberals placed second in two marginals in suburban Victoria. The Liberals placed second in two marginals and the NDP in two. These coveted urban seats are tightly-fought three-way contests which, if the Conservatives could break through, would finally dispel the charge that the party is unelectable in Canada's major cities. One obvious Conservative target would be the riding of Vancouver South, where former Liberal cabinet minister (and former B.C. premier) Ujjal Dosanjh eked out the thinnest margin of victory nationwide: only 0.05 pct -- or 20 votes -- over his Conservative opponent.

¶13. (SBU) Liberal Party leader Michael Ignatieff has declared "building bridges" to western and rural Canada a priority. The Liberals currently hold only seven of the 92 seats west of Ontario, and received only 16 pct of the western Canadian vote in 2008 (behind even the NDP). Since taking over the party leadership in December, Ignatieff has already paid four visits to western Canada. The party will also hold its biennial policy convention in Vancouver in late April/early May, when delegates will formally confirm Ignatieff as leader and provide input for the Liberal election platform. Some senior Liberals nonetheless have advised the party publicly to set "realistic" goals in the region and initially target only the six to eight ridings that the party had previously won in Manitoba, Alberta, and Vancouver.

THE POLLS: NARROWING THE GAP

OTTAWA 00000252 003 OF 003

¶14. (U) In recent polls, the Liberals have significantly narrowed the gap with the ruling Conservative Party, even moving ahead nationally in one mid-March poll to 36 pct over the Conservatives' 33 pct. The recession, sliding Conservative support in Quebec, and an uptick in Liberal support in Ontario appear to be fuelling the Liberals' rise. While Conservative support has largely remained steady in the mid-30 pct range, the Liberals have profited from growing support among female voters and an apparent drift back from the NDP and Green Party.

¶15. (SBU) Political posturing over the recent budget has revived talk of a federal election, possibly as early as June, when the second of three progress reports on the government's stimulus package is due. However, many Liberal and Conservative MPs have suggested fall 2009 or early spring 2010 (before the next budget) are far likelier dates, with some Liberals suggesting "all bets are off" from the fall onward and Conservative MPs more often expecting a 2010 rematch. Although some Liberals are reportedly eager for a snap election, the majority appear to prefer to wait at least through the summer.

¶16. (SBU) According to Liberal MPs charged with platform development, Ignatieff's commitment to hold party policy discussions

this summer within 100 days of formally becoming leader is still on track. The expected next Liberal Party president, Alfred Apps, told reporters in March that the Liberals' focus will be on retooling, fundraising, organization, and platform development to "help us muscle our way back into the centre" of the political spectrum and to "help us rebuild where we need to win, which is outside the big cities, Quebec and hopefully, some small, modest breakthroughs in Western Canada."

COMMENT

¶17. (SBU) This government's minority status in the House of Commons makes a four-year term virtually a political impossibility. Conventional wisdom suggests that the severity of the global recession would drive voters away from the "luxury" opposition parties -- the NDP and the Greens -- everywhere except in Quebec, where the Bloc stands poised potentially to do even better than in ¶2008. The two major parties appear set to battle it out primarily in Ontario and British Columbia, beginning with those marginal seats that they hold or covet. The Conservatives, with their 17 marginal victories in 2008, are arguably in the more precarious position, underscoring the expectation that the next election will be theirs to lose.

BREESE